

used in the production of a good provided for in headings 1501 through 1508, 1512, 1514 or 1515, HTSUS;

(5) A non-originating material provided for in heading 1701, HTSUS, that is used in the production of a good provided for in headings 1701 through 1703, HTSUS;

(6) A non-originating material provided for in Chapter 17, HTSUS, or heading 1805, HTSUS, that is used in the production of a good provided for in subheading 1806.10, HTSUS;

(7) A non-originating material provided for in headings 2203 through 2208, HTSUS, that is used in the production of a good provided for in heading 2207 or 2208, HTSUS; and

(8) A non-originating material used in the production of a good provided for in Chapters 1 through 21, HTSUS, unless the non-originating material is provided for in a different subheading than the good for which origin is being determined.

(c) A textile or apparel good provided for in Chapters 50 through 63, HTSUS, that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in General Note 25(o), HTSUS, will nevertheless be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component. Notwithstanding the preceding sentence, a textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good will be considered an originating good only if such yarns are wholly formed in the territory of a Party.

§ 10.534 Accumulation.

(a) Originating materials of Singapore or the United States that are used in the production of a good in the territory of the other party will be considered to originate in the territory of the other party.

(b) A good that is produced in the territory of one or both of the Parties by one or more producers, will be con-

sidered an originating good if the good satisfies:

(1) The applicable requirements of § 10.531 of this subpart and General Note 25, HTSUS; or

(2) The provisions of § 10.532 of this subpart.

§ 10.535 Regional value content.

(a) *General.* Where General Note 25(o), HTSUS, sets forth a rule that specifies a regional value content test for a good, the regional value content of such good must be calculated, at the choice of the person claiming the preferential tariff treatment for such good, on the basis of the build-down method or the build-up method described in paragraphs (b) and (c) of this section, unless otherwise specified in General Note 25(o), HTSUS.

(b) *Build-down method.* Under the build-down method, the regional value content must be calculated on the basis of the formula $RVC = ((AV - VNM)/AV) \times 100$, where RVC is the regional value content, expressed as a percentage; AV is the adjusted value; and VNM is the value of non-originating materials that are acquired and used by the producer in the production of the good.

(c) *Build-up method.* Under the build-up method, the regional value content must be calculated on the basis of the formula $RVC = (VOM/AV) \times 100$, where RVC is the regional value content, expressed as a percentage; AV is the adjusted value; and VOM is the value of originating materials that are acquired or self-produced and used by the producer in the production of the good.

§ 10.536 Value of materials.

(a) *Calculating the value of materials.* Except as provided in § 10.541, for purposes of calculating the regional value content of a good under General Note 25(o), HTSUS, and for purposes of applying the *de minimis* (see § 10.533 of this subpart) provisions of General Note 25(o), HTSUS, the value of a material is:

(1) In the case of a material imported by the producer of the good, the adjusted value of the material;

(2) In the case of a material acquired by the producer in the territory where